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**FEDERAL BUREAU OF INVESTIGATION**  
**FOIPA DELETED PAGE INFORMATION SHEET**

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1 Page(s) withheld for the following reason(s):

Duplicate copy of 95-211845-77. Letter 1/2/77.

For your information: \_\_\_\_\_

The following number is to be used for reference regarding these pages:

95-211845-83, Bulky

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*Pff*  
1 - Mr. Ash  
1 - Mr. Kelleher  
1 - Mr. Mintz

*LAB FILE*

10/28/77

The Deputy Attorney General

Director, FBI

1 - Legal Research Unit  
1 - Mr. Mazzella

IN THE MATTER OF THE ESTATE OF  
HOWARD ROBERT HUGHES, JR.,  
DECESSED; EIGHTH JUDICIAL DISTRICT  
COURT OF THE STATE OF NEVADA,  
COUNTY OF CLARK,  
LAS VEGAS, NEVADA  
SUBPOENA MATTER

The purpose of this communication is to advise you of the receipt of subpoenas for the testimony of Special Agent (SA) James E. Lile, Document Examiner, Laboratory Division, and Mr. Quintus Ferguson, Fingerprint Specialist, Identification Division. It is my decision to decline to approve the appearance of Mr. Lile and Mr. Ferguson for purposes of testifying in captioned matter. Pursuant to the provisions of Title 28, Code of Federal Regulations (CFR), Section 16.24(b) (1976), as amended by Departmental Order 603-77, effective March 30, 1977, this matter is being referred to you for your review and final decision.

The following factual background is being provided to assist you in understanding the basis of my decision to resist those subpoenas.

At the request of the Attorney General for the State of Nevada, the so-called "Mormon Will" of Howard R. Hughes, Jr., and related materials were examined in the FBI Laboratory and Identification Division, in connection with a state criminal investigation of Elvin Durmar for forgery and perjury. Durmar was named in the will as one of the beneficiaries.

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(8)

SEE NOTE PAGE 5

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Duplicate copy of 95-211845-71, pages 2 thru 5 of  
FBI letter 10/22/77 to Deputy Attorney General.

For your information: \_\_\_\_\_

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95- 211845 - 83, B-1K4.

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1 Page(s) withheld for the following reason(s):

Duplicate copy 07 95-211845-68, 485 letter 10/18/77

For your information: \_\_\_\_\_

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95-211845-83, B-1KJ

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2 Page(s) withheld for the following reason(s):

Duplicate copy of 95-211845-76, pages 1 and 2, 78E  
MEMO 9/20/77.

For your information: \_\_\_\_\_

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95-211845-83, BULKY.

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ELI BLUMENFELD LAW CORPORATION  
1900 AVENUE OF THE STARS, SUITE 2440  
CENTURY CITY  
LOS ANGELES, CALIFORNIA 90067  
TELEPHONE 633-2668

September 9, 1977

Director  
Federal Bureau of Investigation  
Assistant Director of Identification Laboratories  
J. Edgar Hoover Building  
Washington, D.C. 20535

Attention: Special Agent James E. Lile

Re: Estate of Howard Robard Hughes, Jr.

Dear Mr. Lile:

This confirms our telephonic agreement that you will be available to testify in the matter of the Estate of Howard Robard Hughes, Jr., deceased, during the period from November 20 to December 10, 1977. The trial in the above case has been scheduled to commence on October 3, 1977 at the Clark County Courthouse, at 200 East Carson Avenue, Las Vegas, Nevada.

At the time of your testimony, you have agreed to bring with you any and all reports, information and other documents used by you in any way in conducting your investigation and reaching your conclusions, as well as any reports on the results of such investigation with respect to the purported "Mormon Will."

It has been agreed that you will appear at the trial and bring the above material with you without the necessity of a subpoena issued in connection therewith.

Please sign a copy of this letter indicating your agreement to appear, as set forth above, and return such copy in the enclosed self-addressed stamped envelope to the undersigned. As agreed, we will reimburse your office for any and all costs incurred in connection with your appearance in Las Vegas for this trial.

Thank you for your cooperation in this matter, and

James E. Lile  
September 9, 1977  
Page 2

please don't hesitate to call or write to the undersigned  
if you have any questions with respect thereto.

Sincerely,

ELI BLUMENFELD

EB:ng  
cc: Harold Rhoden

THE UNDERSIGNED agrees to appear to testify at the Clark  
County Courthouse in Las Vegas, Nevada, in accordance  
with the provisions set forth above.

Agreed  
John  
signed  
Date  
of

\_\_\_\_\_  
Date

\_\_\_\_\_  
JAMES E. LILE

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Page(s) withheld for the following reason(s):

Duplicate copy 07 95-211845-62, #85 Thru 8/29/77  
5/24/77, 7/12/77 And Letter 5/24/77

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1 \_\_\_\_ Page(s) withheld for the following reason(s):

Duplicate copy of 95-211845-46. FBI MEMO 5/8/77.

- For your information: \_\_\_\_\_

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3 Page(s) withheld for the following reason(s):

Duplicate copy of 95-211845-28, 185 memo 3/17/77.

For your information: \_\_\_\_\_

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Dear Chester and Bill

I do not understand why the problem of this is not yet fully settled and why this bad publicity seems to continue. It could hurt our company's valuable properties in Nevada and also the entire state.

I believe my company is one of the biggest employer (if not the biggest) in the state, and surely what damages an entity employing this many Nevadans is bad for the state itself.)

You told me if I called Governor Taxalt and District Attorney George Franklin it would put an end to this problem.

I made these calls, and I do not understand why this very damaging publicity should continue merely because the properly constituted board of directors of Hughes Tool Company decided for reasons they considered just, to terminate all relationship with Maher and Stooper.

I asked you to take what ever action is necessary to accomplish the object briefly outlined.

I ask you now to do the same to inform the members of the board of my stand and feelings in regard to this matter.

It is not my wish to try to tell the board what action should be taken. That is their job. But it seems there has been some uncertainty as to where I stand and I want this cleared up at once.

I do not support Wilson or Stroper in their defiance of the highest tool Company Board of Director and I deeply desire all concerned to be fully aware of this immediately.

I ask you to do every thing in your power to put an end to these problems, and further I ask you to obtain immediately a full accounting of any

and all funds and / or  
property to which I  
or she may have had  
access.

As I have said before  
matter has caused me  
the very greatest concern  
and is dismaying to the  
Company and all the loyal  
men and women associated  
with me in the very  
deepest and fairest manner  
way.

Very sincere regards

I regard myself

## PROXY

KNOW ALL MEN BY THESE PRESENTS, that I, HOWARD R. HUGHES

1. As the sole stockholder of (i) The Sands, Incorporated Nevada corporation, (ii) Desert Inn Improvement Company, a Nevada corporation, and (iii) Hughes Sports Network, Inc., a Delaware corporation hereby constitute and appoint CHESTER C. DAVIS, RAYMOND M. HOLLIDAY and FRANK W. GAY, or a majority of them, my true and lawful attorneys, for me and in my name and stead to vote and to otherwise act for me may have as a stockholder (excepting only the rights and powers expressly denied hereinafter) with respect to any and all shares of the stock corporations at the time standing in my name, specifically including but limited to, the following matters:

- (a) Amendment of the Articles of Incorporation of By-Laws of the Corporations;
- (b) Election of persons (including anyone named hereinbelow as attorney) as directors;
- (c) Removal of Directors;
- (d) Call of stockholders meetings; and
- (e) Any and all actions with respect to management.

2. As the sole proprietor of The Silver Slipper, Clark, Nevada, do hereby constitute and appoint CHESTER C. DAVIS, RAYMOND HOLLIDAY and FRANK W. GAY, or a majority of them, my true and lawful attorneys, for me and in my name and stead to exercise all rights I have as proprietor of The Silver Slipper (excepting only the right powers expressly denied hereinafter).

It is my intention that my said attorneys shall be fully authorized to exercise the foregoing powers in whatever manner, with respect to aforementioned corporations and The Silver Slipper and at such times, as in their discretion shall appear desirable.

My attorneys shall not hereby have or exercise any right power to absent or otherwise act with respect to any of the following matters:

- (a) Any sale or other disposition or transfer of any of said stock and proprietorship of
- (b) Any change in the names of the corporations or proprietorship.

This proxy shall be valid and may be exercised for the period permitted by law, unless sooner revoked.

*Howard L. Boxersley*  
Howard L. Boxersley

14 November 1970  
STATE OF NEVADA  
COUNTY OF CLARK



On this 14th day of NOVEMBER, 1970,  
Notary Public, personally appeared Howard R. Hughes,  
and executed in my presence the foregoing instrument.

*Howard L. Boxersley*  
Howard L. Boxersley  
Notary Public

1. Is Chester Davis authorized to represent you in this McGraw-Hill matter without limitation, including obtaining all information from any bank?

*Yes, also please see my*  
2. Did you, in 1965, grant to Rosemont Enterprises, Inc. the sole and exclusive right to publish your life story?

*Received the money*  
3. Did you at any time authorize McGraw-Hill or Clifford Irving or anyone other than Rosemont to publish your autobiography or biography or any material relating to you? (This does not relate to copyrighted magazine articles you permitted to be published prior to 1960.)

*No, I would like to see these*  
4. I understand that Clifford Irving was born on November 5, 1930 and that his father before changing his name some time after 1930 was known as Jay Rafsky, a cartoonist who drew a panel entitled "Patsy" about policemen and firemen which appeared in Collier's magazine. Have you ever met or do you know a Clifford Irving, or did you ever talk to him, or did you ever communicate or correspond with him in any way or did you in any manner whatsoever otherwise collaborate with him or anyone else in the preparation of an autobiography or anything else to be published about you?

*No, I do not know him.*  
5. Did you furnish Clifford Irving or anyone (other than Rosemont) with any material of any kind, including tape recordings, either directly or through others for the purpose of an autobiography or for the publication of anything about you?

*Not at any time.*  
6. Did you sign or authorize the execution on your behalf of a contract with McGraw-Hill or Clifford Irving for the publication of anything by you or concerning you?

*I am not aware of any*  
7. Did you receive or authorize anyone else to receive any money directly or indirectly from McGraw-Hill or Clifford Irving for the publication of anything by you or concerning you or for anything else?

*No, I last time you personally handed a check for my release*

*(3)*

*more clear answer*

*not true*

*not true*

*not true*

*not true*

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LIBRARY

9. Did you ever give McGraw-Hill, Clifford Irving or anyone else instructions of any kind relating to the publication of anything concerning your life?

*Absolutely not*

10. The original press release issued by McGraw-Hill states that the purported "autobiography" was substantially based on taping sessions with you over a period of many months during 1971. Other than what you may have done with respect to copyrighted articles which appeared prior to 1960, have you ever dictated, written or prepared any tapes, manuscripts or recordings relating to your life or to any incidents in your life for the purpose of the publication of any kind of biography or for any other purpose?

*No*

11. It has been suggested that someone may have had access to handwritten notes or memoranda or other communications in your handwriting or of tapes of conversations with you which could have become available to others. With the exception of tapes or other material in connection with the copyrighted articles that were published prior to 1960, the message to me and Bill Gray during the Mahan litigation and the letters you wrote last year to the Nevada State Gaming Commission, are you aware of the existence of any authentic material of the types described which could have become available?

*You should be careful*

12. Did you ever start to write your autobiography or did you ever tell any of your assistants that you were writing an autobiography and ask any of them to deny it if questioned?

*Absolutely not*

*Signature*

V

The BOARD OF REGENTS OF THE UNIVERSITY OF NEVADA  
hereby accepts this pledge of HOWARD R. HUGHES and all the terms  
and conditions of this Agreement and in consideration of and in  
reliance on this pledge the said BOARD OF REGENTS has taken and  
will continue to take steps to establish said Medical School and  
has and will incur obligations, seek funds, grants, endowments,  
gifts and pledges from the Federal Government, public and private  
corporations, institutions, foundations, individuals and other  
sources to be used for the same purposes as herein expressed.

IN WITNESS WHEREOF, the parties hereto affix their  
signatures.

Howard R. Hughes  
HOWARD R. HUGHES  
Party of the First Part

APPROVED:

HARVEY DICKERSON  
Attorney General of Nevada

BOARD OF REGENTS OF THE  
UNIVERSITY OF NEVADA

By Daniel R. Walsh 12-30-68  
DANIEL R. WALSH  
Chief Deputy Attorney General

By Fred M. Anderson M.D.  
FRED M. ANDERSON, M.D.  
Chairman of the Board  
of Regents  
Party of the Second Part

THE STATE OF NEVADA:  
COUNTY OF CLARK:

KNOW ALL MEN BY THESE PRESENTS:

That I, HOWARD R. HUGHES, a resident of Las Vegas, Clark County, Nevada, do by these presents, same, constitute and appoint RICHARD GRAY, of Houston, Harris County, Texas, my true and lawful agent and attorney-in-fact, and my said agent and attorney-in-fact shall be and is hereby authorized and empowered in my name and on my behalf, to the same extent and for all intents and purposes as if I were acting in person, to do and perform the following acts and deeds:

1. To prepare and file, or cause to be prepared and filed, in my name any, and all applications, affidavits, supporting schedules and other documents required, necessary, or proper in connection therewith, with the Nevada Gaming Commission, the Gaming Control Board and any and all governmental or regulatory agencies or authorities of the State of Nevada and any political subdivision thereof, for gaming licenses to be issued to me, the said Howard R. Hughes, in accordance with the laws of the State of Nevada, and regulations promulgated thereunder.

2. To apply for and obtain, or cause to be furnished any and all necessary information, or cause to be furnished any and all necessary information, which may be required in connection therewith, any and all business authorizations or permits to carry on a hotel and gaming business on premises known as the Desert Inn in Las Vegas, CLARK COUNTY, Nevada.

IN WITNESS WHEREOF, I have hereunto set my hand,  
2474 day of March, 1967.

WITNESSES:

*Howard R. Hughes*  
*Richard Gray*

WRC/C

Bob -

The only suggestion involved here is the possibility of buying up some of these properties for benefit. However, this may be lost.

We may perhaps be able to obtain an option on these properties if we work quickly enough tonight. You will need my assistance, and I will work more effectively if we have the hotel deal settled first. Why don't you see Mol and tell him every thing this bastard has done to us and how upset you are about it. Sometimes a friend will do something out of sympathy he would not do for any other reason.

Why not tell Mol you are going to be simply interested in the responsibility of my recapture the position of exclusivity we previously enjoyed in this mining field. It will be a full time job. You are having one of your men come out to help me in the dealing with the company as spokesman to us.

Then this might lead to a situation where you could suggest adroitly to Moe that if we could "wrap this up" tonight, you would not have to turn the Stardust deal over somebody else, and you would get the 'credit' for closing the Stardust deal instead of this man from Houston.

You may be surprised, Bob, but many times a man like Moe will make concessions on a business deal like this for a friend's personal benefit - when he would never make the same concession because he is driven to it by bargaining.

I mean, for example, that I believe Moe would go further as a gesture of personal friendship to you than he ever would as the result of negotiating pressure brought by me. You all know I try to bargain Moe into a deal, his pride asserts itself and he says "never" whereas, as a favor and gesture of personal friendship to you when you are depressed by

the treachery of a trusted employ  
who betrayed your trust, one  
might easily do what he would  
not do for me.

Anyway, please try

5 forward

I urge you not to fire me  
until we discuss this matter  
a little more. Let's please  
dispose of this and then I will  
give my full attention to mine.  
I just simply have a one channel  
mind, please forgive me,

54

Blair  
7/17/68

Bob,

I have sent for somebody from Houston to run down with Moes fiscal people and straighten out the misunderstandings we seem to be having re the translation of his balance sheet into a fair price to us.

I have been in touch with Moel before the man arrives that is fine. If not, I feel the injection of this man into the picture at the accounting level will be helpful.

I want only to make a fair deal, and I think that is what Moes wants also.

Now to get to brass tacks while this man is on his way, let me put it this way: There is a \$ million difference between Moes deal and the balance sheet valuation. This difference must, by necessity, be incorporated estimates as to what will obtain for the cash and other receivables.

Pay all of the total fee amount for services.

Price. 31,200,000

Liabilities we  
must pay in full, 2,425,000

Total 33,625,000

L.T. Liabilities 275

Total 34,000,000

As against this, I calculate  
Moës own valuation of the  
assets we will receive as  
follows:

Inventory 26,668,000

Assets from other parts of the  
entity, 2

Outdoor theater 7,000

Total 29,368,000

Long term  
Liabilities 2,750

Excess 6,618,000

Difference 6,618,000

Price vs. Balance  
sheet 6,632,000

700
700
700
500
2

6,632,000

Bob several things

1. Are you confident the  
license of ~~W.M. Chapman~~ and  
Starburst will be granted so  
we go ahead.

2. What progress did your  
man make on Boarding 3?

3. I am very unhappy about  
the publicity we received to-  
day. So, please don't let any  
more news leak out and  
please ask me the same  
until we make a final all-out  
decision.

4. What progress has been  
made on the theater property?  
Please have him pursue this  
diligently. This seems to be  
the only possible approach.  
That might bring the gap  
between us and him down  
say his full price with no  
compromise or give up  
resolving this disagreement.  
And that is what it is.  
complete disagreement.  
I feel very strongly  
without my permission  
was told the  
ing it down  
would never

Bob -

I have information that there are substantial renovation and expansion programs underway both the Slipper and Starau. Also, I understand the Slipper has some sporting events booked this month that are very big draws. So, I feel you should set up a program aimed at making sure we get a top quality job in the workmanship of the expansion described above and we don't pay an unwarranted price for it. Also that we collect all the additional revenue from the choice sporting events and the casino revenue they produce.

In other words what I am trying to say is that we have a perfect framework in which to provide the ideal environment for all sorts of larceny, both petty and very grand indeed and I hope you will protect our interest with due and extreme diligence.

Incidentally, if you don't want to trade out the 50-50 split of the additional tax at the Slipper at the closing, I understand completely. If you were to force the issue, I would advise you to do this, and make an arrangement with Phipps et al at this point so he could do us a favor by setting a date between now and closing date.

4/23/68

Bob -

I don't think we should wait another 15 minutes before we correct the record wherein the A.E.C. maintains we ~~had~~ <sup>had</sup> ample opportunity to protest the explosion including a briefing about a month ago. And that, to this very moment, neither the A.E.C. here or in Washington has had any communication from us making a request for postponement.

I think, most strongly, that you should go back to the protests we made about one of the other shots and to the promises that were made to us that there would be no more large explosions in Southern Nevada (not even as large as "Greely" which was only about 750 kilotons)

I think you absolutely must reveal the name of the man who made the promise to you and establish the truth of those meetings about 18 months ago. The precise date etc.

The importance of the above is to prove beyond a doubt the delinquency in waiting so long to protest "Boxcar" specifically. In other words we must

establish that we made our position fully known before the other large companies that according to them we had the promise there would be more so in this case must be our position that our concern was already known to A.E.C. and that when A.E.C. announced "Boxcar" they thereby violated their firm agreement.

Many thanks,

I forward it

FEDERAL BUREAU OF INVESTIGATION  
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Page(s) withheld for the following reason(s):

Duplicate copy of Previous 17 pages, Hughes letters

For your information: \_\_\_\_\_

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XXXXXXXXXXXXXXXXXXXX

6-8-68

Bob -

I dont understand your message wherein you say: "I would, perhaps I am being too rough in my insistence that we not go the figure of \$22, because, in fact, etc., etc."

Bob - what do you mean - your insistence not to pay 22. I am the only one who refused to pay 22 - as witness my offer of  $2\frac{1}{2}$ .

Surely you dont think the offer of  $2\frac{1}{2}$  originated with any one other than I.

stances contact either Bezug or Thrall for clarification of this point! Please do not initiate any kind of a contact with either of them prior to your meeting tomorrow. This is most important.

I seek only your own interpretation of the things he has said.

Please let me hear from you and then please contact Long re Curtis and ask him for up to the minute report. This last is most important.

After the above, I have a couple of very important items which bear upon Air West and which I feel we should discuss before you leave for the meeting in Seattle - probably this afternoon. Please let me hear from you in full on the items requested herein and I will have my subsequent questions all properly listed and ready for trans-mission.

many thanks,

Howard

7-30-68

Bob -

In the historic material you furnished to me relative Air West, there appears the following paragraph:

"By January 1967 it became apparent that an intra state operator would introduce service between San José and Los Angeles, Pacific's largest single market, with fares which were non-compensatory to Pacific. New route authority had been sought in July 1966 to profitably utilize the tri-jet equipment but no suitable route awards were granted by the Civil Aeronautics Board."

I forward

Bob -

now that things are again  
a compatible status between us,  
it seems that there are literally  
hundreds of matters crying for  
attention. I hope you don't  
mind my heaping them upon  
as I know you are going to  
Washington this coming week  
and I would like to see you  
put some of these items in  
work before you leave.

I will plan on holding  
the local industrial activity until  
we resolve the air-carrier  
program. I am sure Roy has  
clarified my feelings about  
Air-West. Incidentally, one thing  
I did not ask Roy to tell me  
is that it naturally follows  
view of the permanent policy  
choice as I explained to him  
that I prefer to buy assets  
from Air West Inc. instead  
buying stock in the existing  
West Corporation. Just as  
the case of Curtis Publishing  
Co.

I recommend you not  
tioneer to the Govt any delay  
the start of the new  
activity without getting  
him to do so.

I suggest  
3 and 4

Bob -

I am confused by his constant references to a basic agreement on the numbers. He seems to bring this up at the time you may remember at one time, he wanted to be left alone for the weekend so he could study the numbers & come up with a fiscal decision.

Bob, I don't understand a kind of talk unless he is attempting to keep the door open for a later retrading of the deal on new terms. As you remember, when you first contacted him, he "very reluctantly," as you described it, "made" up his mind that he would have to sell out and he was prepared to deliver the 15% that he and his friends controlled at the market, plus a certain fraction. You & ~~he~~ have deliberately asked not to trade or haggle this out with him or with Thrall. As this leaves me without an explanation as to what his a "basic agreement on the numbers," he may be seeking unless he has now decided to charge us a higher price than originally indicated. Please, under no circum-

taken at once to terminate the Air West deal in toto and so announce it.

In other words, Bob, if the 16+ million can be recovered, without legal defeats or problems and without substantial criticism, I am ready to say "go".

If not, please ask Chester to prepare immediately a step by step program to accomplish the most graceful possible termination of all Hughes Tool Company liability in connection with, or in any way related to Air West.

Bob, please delay your call to Chester until early AM. That is important. Also, please ask Chester, re. the dictation I have requested to be accomplished via phone to my staff, I ask that no copies be made of this by Chester or his secretary.

Also, which ever way this Air West decision is indicated to fall, in accordance with the decision I have set forth above in this message, I do not want such decision to be disclosed to anyone, and

that we are busy with the air-carrier inauguration and that we cannot do both at once. But I repeat I recommend we not mention the industrial activity. If he brings it up, please let me know.

I am sure Roy has explained that it is my preference to acquire Air West and service Elko - Ely etc, with same. However, I urge you promise Faxalt he has a reliable commitment for the required service into Elko, Ely, Etc. And we do not want him to reveal who has made the commitment but I think we must permit him to tell Elko & Ely ~~etc~~ that service will be forthcoming and that he (Faxalt) has a firm commitment for this. Otherwise Elko & Ely will continue their efforts to line up somebody to provide the service, and this we positively do not want.

I urge you say nothing to Faxalt about Air West at all. Just I guarantee the service without saying how.

Re Air West, I urge we start immediate negotiations with Converse to buy from

Bob -

I cannot begin to tell you how bitterly I feel about the entire situation. If it were not for Air West, I might not view all of this with such resentment.

After all, I got into Air West through your guidance and recommendation, I did nothing really in the entire affair but to follow your recommendation, step by step.

Now you propose to walk off and leave me with Air West, and I don't know how you can even begin to consider this fair. I protest this in the very most emphatic way. Don't you persuade your new affiliates to take over Air West, then I will not take issue with what you want to do.

But to walk out and leave me holding the commitment to buy Air West! This just seems to me to be unthinkable.

I will appreciate your ~~consideration~~ and reply,  
John

Air West deal from the economic stand point, but I am concerned about the general underlying attitudes of people in this community toward everyone associated with me if the Air West company collapses.

Please give me your feeling about all of this.

Sincerely

I do not want such decision  
to be implemented, or any  
action to be taken in con-  
nection with it, until I  
have received such decision  
in the form of a reply to  
this message; and, further,  
until I have given a con-  
firmation of such decision  
to you and Chester, following  
receipt by me of the com-  
munication described above.

Please advise,

) forward

4. Air West - I feel most strongly that this situation should be decided and announced just as quickly as possible. Bob, there seems to be a growing amount of curiosity on this. I am certain that, if definite action is not taken soon, there will be adverse consequences.

Bob, I think it is urge that you contact Chester at once and ask him to dictate over the phone to my staff a step by step simple, completely fool-proof plan of action to accomplish consummation of the Air West purchase including the feed-back of the 16+ million, which is really the key to the entire situation.

I realize that 16 million may be small in comparison to the total involved, but I consider that this 16 million is simply the difference between go and no-go. So, if there is going to be some technical flaw in the plan to recover this money, I should know it now.

Also, if there is likely to be any substantial criticism of this 16+ million off-set, I should know that immediately in order that steps may be

119 3.157.1

Bob -

Regarding the launching I previously conveyed to you my full approval for your attendance at the launching, per se. However that was before I learned the president would be there.

Bob, I consider it imperative that you not meet with the president at the time we are discussing. Other than that, I have no desire to constitute a problem for you.

Now, Bob, please let us discuss briefly the Air West situation.

Frankly I was surprised by the extent to which your thinking seems to have progressed toward abortion of the Air West purchase.

Bob, are you convince this outcome is unavoidable

I understand fully the disadvantages of the Air

flights would  
since has been  
above any other  
line.

Also, as you are  
well aware, with the  
apparent impossibility  
of avoiding the use  
of Lake Mead water  
in this area, I have  
been unwilling to go  
ahead with the new  
lands hotel and  
many of the other  
projects I had been  
planning, and upon  
which I had relied  
to increase the flow  
of air traffic to  
Southern California

and  
California

into conformity with my  
last message on this  
subject.

If he can obtain  
CAB's consent in this  
regard, I can go ahead  
and execute the present  
documents so that the word  
can be passed out im-  
mediately that this has  
been done, which both  
Chester and I feel will  
have a strengthening  
influence on the market  
and lessen greatly the  
chance of some unwanted  
last minute action by  
some strike lawyer.

And the use of the  
word "strike" is no pun.

Many thanks,

Howard

So, Bob, I still await  
a suggestion of what  
is to be done if the  
TWA requirement should  
materialize tomorrow,  
followed by the Air  
West requirement a  
week or two later.

Regarding this problem  
have you thought of  
going right in to TWA,  
as I have been urging  
continuously, in more  
than a dozen, and  
trying to make a quick,  
simple cash settlement  
of their claim?

Regarding a new  
name for 17th West,  
I will not resist the  
changing of the name.  
However, I think it  
would be a mistake

deal will involve, in terms of price versus assets less liabilities, including some kind of an estimate of losses anticipated during the first six months, I just cannot make any really definite plans.

When you ~~were~~ were to settle, Air West was the biggest operation between the mountains and Las Vegas and, with route planning, appeared destined to hold the only certification between Las Vegas and Phoenix, Tucson, Reno, and other important terminals.

to me of  
will be considered as  
contrary to the agree-  
ments described above  
and provided the revised  
~~conditions~~ to the CATT  
conditions will be  
sufficiently broad, and  
drafted in such a way  
as to correct complete  
~~any one of~~ variation  
The points, as recited in  
the <sup>said</sup> letter from Michael  
West ~~a~~

My associate ~~has~~ <sup>in</sup>  
~~wishes~~, I am sorry  
for the delay, but  
draw your attention  
to the fact that I have  
not received any  
figures relating even  
approximately what the  
proposed purchase is  
going to embrace or  
cost.

You have been in  
negotiation for weeks  
endeavoring to find out

have not been  
single figure

I am still relying  
solely upon his and  
your implied assurances  
~~conditionally~~  
~~as accepting these figures~~  
that the outcome of the  
monetary negotiations, which  
have been in progress,  
with respect to the acquisi-  
tion of Air West,  
will not be a disappoint-  
ment to me when they  
are ultimately made  
available to me.

My deepest and most  
sincere thanks,

Howard

just what ST Co is  
contemplating acquiring,  
and what condition  
it is in.  
I have asked repeatedly  
for some kind of figure  
which ~~might~~ might give  
me at least an estimate  
of the amount of this



provided they will be revised to conform to what I am sure is the only basis upon which anyone could, even remotely, contend that any acceptance could have been implied any acceptance might, by omission, have been implied - that is to say provided the CAB conditions will be revised to the extent that they will be no more inclusive or severe than the ~~most~~ ~~hardest~~ ~~of the~~ conditions imposed in the ~~pass~~ ~~selected service of over-~~ ~~ship~~ airline holdings by other corporations, or in similar cases not mentioned herein, if any, based upon the most favored treatment given.

And further provided the points mentioned in variations mentioned in Mickey West's letter

to select a new  
ever confidentially, while  
there is even more chance  
in a thousand that the  
over all deal might  
be aborted.

Bob, if you want to  
see the Air West matter  
brought to a position  
representing closure or  
rejection, as I do,  
I urge that you en-  
courage Chester to get  
to me some kind of a  
very brief analysis of  
the financial adjustments  
which have been nego-  
tiated, together with his  
estimate of what further  
adjustments will be  
obtained prior to closure.

Until I can see  
something that will  
enable me to under-  
stand just what this

What you suggest concerning the Teamsters Pension Fund may have some possibilities.

However I think a long careful look should be given ~~at~~ the possible ramifications that might follow in the form of a downgrading of ~~the~~ over all financial image of H.A.T.C.O.

Don't forget that Teamster's Fund money has financed practically every one of the entities in the state which have housed the multitude of underworld personalities who have drawn the mass of public censure, supposedly improved by our entry onto the scene.

this way!

I see no alternative to fulfilment of whatever commitment may exist.

I want to see the figures I mentioned earlier in this message in order to estimate just how expensive the fulfilment of such a commitment is likely to be.

I also want to be sure that, in my judgement, the full credit due under the agreement has, in fact, been allowed.

Please advise.

Many thanks,

Howard

in direction of the  
West coast dominated  
the Pacific Coast  
transoceanic routes, and,  
in general, by  
far the largest  
carries into and out  
of Las Vegas, where,  
I feel, with the ful-  
fillment of my plans  
for this area, big  
things would happen.

Now, all that has  
changed.

Air West no longer  
dominates the Cal-  
ifornia-Las Vegas  
airline.

I have a large  
majority every day now

~~respectfully,~~

I distinctly remember  
a letter drafted by  
you which I assume  
was transmitted to  
the C.A.B., and which  
said in substance  
just what I have  
set forth above.

I therefore am  
willing now, this  
morning, provided there  
will be no further  
delay, to accept the  
C.A.B.'s conditions,



Bob -

I agree with you fully;  
if anything is do-able  
with Lockheed, I will just  
have to solve the Air  
West problem later.

I am prepared to move  
ahead full speed with Air  
West now with no further  
uncertainty.

In view of this decision,  
it would be a shame to  
have some unnecessary  
stockholder trouble erupt  
in Air West and give  
the appearance that I was  
forced into making the  
deal.

So, please try to per-  
suade Chester to make  
an immediate all-out  
effort to obtain CAB's  
consent to revise the  
documents concerning these  
conditions to bring them

losses.

Please advise what you think can be done. I don't want to go into a whole new negotiation. And, upon careful consideration, the plan of a reduced percentage of ownership does not seem desirable for a number of reasons, even though it was I who most recently suggested it.

Many thanks. Please reply,

Howard

Bob -

Please give me your opinion,  
with dates, the figures, account  
numbers, and the mechanics,  
as best Chester and you can  
determine them, of a step by  
step program designed to assure  
smooth and optimum accomplish-  
ment of the acquisition of  
Air West with the 16+ mil-  
lion of the purchase price  
being retained in the Air  
West treasury as you described

In other words, Bob, I  
want you to lay this program  
out, so that, if I decide to  
ignore caution and common  
sense and go ahead with  
this deal, it will be, ~~all~~  
to the extent practical,  
understood by you and  
Chester, and so that you  
will not uncover, at that  
time, some unexpected  
problem or pitfall.

I want to know for  
sure that this 16+ million  
is in truth a sum which  
may, in the manner  
Chester described, be salvaged

Because, frankly, without  
this offset, I would not

about the present owners  
being required to defray the  
losses to the time of delivery.

Any way, to explain  
further, my proposal is to  
advise all the funds necessary  
for the operation of the air-  
line, and also to make a  
deposit immediately, in an  
amount almost of the fuel  
sum estimated to be due on  
July 12<sup>th</sup> 1970.

I am willing to take all  
the risk interposed by the  
conditions demanded by the CAB.

In other words, TSO, in  
order to get this matter  
settled at once, I am willing  
to gamble on your political  
ability, and assume that you  
will obtain such changes in  
the present decision of the CAB  
as may be absolutely necessary.

I will take the risk of  
the CAB ruling and the problem  
of living with it.

However, as I see it,  
there is such a lag in the  
effectiveness of any kind of  
reforms which might be intro-  
duced into the Air West

Bob and Chester

4/13/70 9:30 AM

News just reported the airlines losing 5-10 million a day. How much of this is Air West, and what do you plan to do about it?

~~Bob~~, I think something must be done by tonight to estimate the losses and some emergency measures must be adopted, because AT&T Co simple does not have the resources to sustain this kind of an impact.

Please, reply,

: forward

OCT -25-69

Bob -

Re Air West, you say you recommend consummating the transaction provided it can be done without making SFTCo an air carrier under the terms of the regulations governing the CAB.

But you do not suggest how this might be accomplished.

I understand the opinion of the CAB provides substantially that SFTCo would become a carrier if it acquires the airline under the contract.

Also, what about the 16 million which was stated to me to be salvageable in one way or another if the deal should be concluded?

Are you recommending fulfillment of the contract at 22 per share, with no effort to save the 16 million?

Please reply soonest possible, toward

151

O 8-269

11<sup>15</sup> AM

Bob -

I am informed by Chester that a decision must be reached by Monday (I assume early AM) concerning Air West.

I am sure you are aware of the seriousness of this problem.

If Chester should notify the Air West people and the CAB that it is the decision of SAKC to not to proceed, I am sure the consequences, in terms of loss of whatever standing I may possess in Nevada, California, and, even in some degree in Washington will be serious.

On the other hand, if I go ahead as now contemplated, I will face in the next two years the first financial insecurity I have undergone since the TWA episode.

Also, I may be forced, in defense against the above to liquidate substantial assets in the period ahead of economic depression, which the nation is definitely facing.

I hope you will give this problem the benefit of your most perceptive consideration, and plan an spending the rest of the weekend assisting me in reaching

O I

O 1.25-61

R

Bob -

You say the solution to the problem of acquisition of air west without bringing STCo under the jurisdiction of the CAB is something you cannot accomplish without further advice from me, but you dont say what advice you seek.

Please explain,

Bob, I know this sounds odd, but I cannot remember the 3<sup>rd</sup> item. It is equally important with the other 2 so, that makes it even more surprising that I have forgotten it. However, I will remember it very soon and convey it to you just the minute my brain starts to work.

In the meantime, please let us get rolling on the other two really right away. I incidentally, I'd will get started on the Stark deal at once and try to have a go ahead for you before the day is over.

Please let me hear something on the Holliday Dunn problem the minute you decide who to contact.

My very best wishes,  
Howard

6/4/69

9pm

Bob -

Here is my final decision  
re Air West:

I will contract immediately  
to take delivery of the airline  
July 1st, 1970 for the terms  
now agreed with the net worth  
as delivered to us the amount  
specified.

I will give the present  
management <sup>the</sup> undisturbed op-  
portunity to run the airline  
in any way they see fit until  
the date of delivery. So, if  
they want to complain about  
anticipated losses in the  
intervening period, my answer  
is that the losses need not  
occur if they are serious about  
the operation of this airline  
being capable of being salvaged.

If the company is beyond  
redemption, then why should  
I buy it at all?

In other words, Bob, as I  
see it, I am prepared to buy  
the airline and assume the losses  
from then on, ad finitem.

So, I cannot get very disturbed

150

~~the right decision and you're  
is one.~~

many thanks,

Howard

operation by any outside  
operator & that there is  
absolutely no chance of achieving  
markedly kind of significant  
improvement in the profit  
and loss figures sooner than

July 1st 1970. Present manage-  
ment can do it better than I can.

What I am saying is that,  
the p. & l. figures for the  
first six months after pur-  
chase will not be the outcome  
or result of new management.

The results of the first six  
months will be the handi-  
work of the present manage-  
ment. So, I don't see why  
I should be responsible for  
them.

I will finance the operation  
fully, and not interfere  
with present management.  
Also, I will pay now the  
bulk of the total amount,  
which will serve as a deposit,  
or escrow, to guarantee  
that the transaction will  
be completed.

If the management does  
not want to be responsible  
for additional losses, let  
them take few people off and  
take care of them.

Bob -

If you agree, I recommend sending the following message to Chester:

~~I support you and~~

Chester -

This is my position:

I feel that the new corporation, Hughes Air, was formed, and I accepted serious' hardships when I consented to its formation for the specific purpose of permitting the acquisition of Air West by H.T.C. with no more conditions being imposed by the CAB than were imposed upon H.T.C.

in the case of its ownership of SWA and Northeast, or upon S.T.V. or Gen. Tire & Rubber in the case of their ownership of Braniff Airline ~~or~~ Frontier Airline,

I cannot begin to tell you how bitterly I feel about this entire situation. If it were not for Air West, I might not view all of this with such resentment.

After all, I got into Air West through your guidance and recommendation. I did nothing really in the entire affair but to follow your recommendation, step by step.

Now you propose to walk off and leave me with Air West, and I don't see how you can even begin to consider this fair. I protest this in the very most emphatic way. Don't you persuade your new affiliates to take over Air West then I will not take issue with what you want to do.

But to walk out and leave me holding the commitment to buy Air West! This just seems to me to be unthinkable.

I will appreciate your very careful consideration and reply toward

the AEC and the  
pollution of the water  
supply with lake  
water. Now, these  
two seemingly in-  
surmountable obstacles  
seem to be solved.  
The AEC I am  
leaving to you with  
full confidence. The  
water supply has sud-  
denly been resolved.  
Don't ask me how,  
but it has been  
miraculously solved.  
Perhaps I should say,  
more accurately, that  
a plan has been pre-  
sented to me which  
is so good I am  
willing to take my  
chances that it will  
be saleable to the  
authorities. So, this  
leaves us with the  
three more recent  
problems which I  
mentioned at the start  
of this paragraph.  
These three are:

1. The new Show boat.
2. The race track,  
(dog and horse)  
~~legislation~~ which  
must have the  
~~most~~ immediate  
attention.

Bob —

3-23-69 @ 7:20 AM

Please have absolutely no uncertainty whatsoever about my position concerning the new routes being sought for Air West I promise my all out backing to the full extent. That is why I am moving toward sale of some of the properties I mentioned.

I will let you know about the mining properties soon. However, I do not think in terms of selling these I prefer that this business be developed ~~be~~ as a part of Hughes Tool Company.

I prefer the following plan after the most careful consideration and re-consideration over and over. Please let this plan be definite with no further ~~uncertainty~~ uncertain

To be sold:

1. Culver City real estate  
(I will contact Web immediately and follow this up.)
2. Oil Tool Division.  
Aircraft Division

- with the legislators,

the legislature that when we receive control of the airline they can be sure of one thing - and that is that ~~the~~ the service will be as good and the fares as low as we can ~~justify~~ ~~satisfy~~ ~~and maintain~~ ~~make~~) make them, and still permit the airline, with its employees and other contributions to the economy, to survive.

And further, in this effort, we expect to employ ~~with~~ diligence ~~and~~ ~~intelligence~~ as well as modern technology.

Please let me hear from you on this,

P.A. I urge that we do not argue the point of whether the service is good or bad at present.

2 - think we should also point out to our friends in the Nevada Legislature that the airline is losing money at the fantastic rate which you know and can reveal to them I hope. You might check this with Chester.

Then, it would be my suggestion that we tell the legislators that the minute we have control of the airline we will attack its problems in this order:

1. Better service.
2. Try to reduce losses which is urgently necessary if we ~~or~~ <sup>and</sup> the legislators hope for to be ~~privatized~~ the airline in any form.

In other words, if we hope to have an airline remaining when the dust settles, we must avoid it going bankrupt in the meantime.

3. To improve and reduce fair's of the economy structure

Bob

2/10/38  
planned that we would proceed with our West Coast operations but at the same time I feel we can wait only so long in the announcement of the Intro State project.

I urge that we utilize this intervening time to get some real specialist C & B and F.A.A. lawyer and see just what federal laws if any may be involved in this plan. I don't intend to go to Cook at all. Also, I think you should ask Dick Con the basis of the most impenetrable secrecy to ascertain what state permits etc. may be required. I am sure we cannot just start flying passengers and cargo for hire without some kind of a pedler's permit or such like, and plenty of people will be ready to laugh at us if we stub our toe.

Please let me know,

Howard

Now, however, please give  
me your views and let me know  
please do not do any work at  
all - not even the slightest  
revision to a rough map -  
until you and I collaborate  
further on this.

I have no taste for a  
proxy fight. I do not let  
anybody know this, but I tell  
you. I think the delay  
would be devastating in a  
hundred of our other projects.  
We need this Air West deal  
settled off or on now! many  
other matters hang on it.  
We must settle with Converse  
or call it off. It is just  
like the Stardust. We lose  
in a hundred ways by these  
long periods of uncertainty.  
I can prove all of this when  
it is not such a critical  
time.

Please take my word for  
it. Many thanks,

Doward

but whenever they  
right up against  
somebody always seem  
to remember a few dollars  
they had hidden away  
somewhere that everybody  
had forgotten about.

Anyway let me know  
what you and Davis  
recommend we do on all  
points,

S toward

And the fact that Braniff was a publicly held corporation did not help it one iota when they lost Braniff Only North West which stumbled around with its hijrops, etc. failed to prosper.

Always the companies that fell by the wayside were those without strong leadership, the ones that became embroiled in proxy-fights etc.

Bob - this historical pattern of each really successful corporation being dominated by one family or one group is not confined to the airlines by any means. So, now you know what I think about converse's theory.

However he is going to be a tough nut to crack, and if you feel we should pass this one over, lets talk to O'Neil again right away before he gets some input about our difficulties.

Please let me hear,

Howard

we have encountered since coming here. Cook is responsible for the ~~the~~ losses, and I share with you the responsibility for the Las Vegas expenditures. However, that does not make ~~that~~ ~~for~~ the financial horizon any brighter.

I am concerned about Air West because I don't think I can afford this acquisition at this time.

I have not ever at any time suggested doing anything that would constitute a default of any of our clean cut obligations to Air West.

In fact, when I proposed giving Air West 2,000,000 now and the rest as required, I said clearly this suggestion should be considered only if the CAB would not become upset about it.

I realize we cannot unload Air West tomorrow ~~but~~ but I also know that if we are going to work toward the objectives of

~~General Information~~

Bob - Before it can be determined whether the undertaking of purchasing Air West is a wise and prudent venture in which we should become engaged, is it not going to be necessary somewhere along the line for a determination to be made showing just how much this operation is actually losing every tick of the clock that goes by?

that I feel this is something ~~I~~ must know. Otherwise, we don't really have any idea how much ~~I~~ may be lost before the trend can be reversed.

Please let me know whatever you may have learned in this direction.

My sincere thanks,  
~~[Signature]~~



West, at all, either ~~dead~~  
or 'alive'. I have ~~waited~~  
for this request.

I would not stress the  
100% approach. God! How  
I wish I had taken Tom  
Beg's stock at 15 dollars  
a share and not every  
talked about 100%. That  
is when all of our trouble  
started. Any way lets not  
make the same mistake  
twice. Lets just discuss O'Neil's  
stock and not mention any  
of the other stockholders at  
all. If he brings some of  
the other stock into the dis-  
cussion fine - just listen,  
but please do not make any  
proposals for any of the  
other stock. Also, please don't  
propose a price for O'Neil's  
stock - just the fact that  
I want it, but no clue  
as to how much, I would  
let that develop.

Many, many thanks, please  
give me your views on  
the above,

Toward

17

from my god-forsaken TWA experiences. Believe me when an airline starts losing money, you simply have no idea how fast they can lose it.

TWA was losing \$3,000,000 a week at one time. How long can anybody absorb that kind of a loss.

I dont know if Converse is the man, but I tell you that somebody is sitting up nights with this Air West dilemma and we ought to be sitting beside him right this minute.

I will be happy to give Nigro the job if we get Air-West. I have never considered Seymour for this job, but I will appreciate it deeply if you will not permit that to leak out. I would have been hesitant to tell you this last week, but I am assuming that all of our troubles are behind us.

Let me hear at once please about Air West. I ought to see a rough break-down of the balance-sheet and then I should have the number of shares of common and the dollar value

O 8.3

Bob - I think it is a mistake  
to sit on this situation from  
now until the stockholders'  
meeting. Now, I am not saying  
this is what should be done.  
I just want your comment.  
Suppose we say to Bez: "How  
about selling the block of stock  
originally proposed (in excess  
of 5000) at the price originally  
proposed (\$15 and a fraction  
dollars per share) then

Bob -

If they could deliver the present ostensible entity for about 20<sup>00</sup> a share we might consider it attractive, but we have no reason in the world to think our troubles ~~are~~ ~~will~~ would be over. In fact they might be only beginning.

Would they like to place 20<sup>00</sup> a share in escrow on a deal whereby they would only receive completion of the escrow if some of these new routes are actually realized?

Under my proposal they would get \$1,500<sup>00</sup> will - will, and be relieved of all further financial responsibility, which they may claim is unimportant, but actually I know to be very important indeed to them.

Then they would get the additional 23<sup>00</sup> per share if a reasonable route structure follows. They would have no responsibility to produce earnings <sup>or to absorb losses</sup> only to give us a workable route availability.

of all the funded indebtedness.  
Also, the market price is high  
low, and recent ever since  
the merger took place and the  
new company was formed.

But bear in mind not  
a word of this must leak  
out, too. I assure you  
that if my name is linked  
with Air West, even in the  
most nebulous way, that  
stock will shoot up on the  
market like a rocket.

Let me hear from you, I  
am very anxious. Many thanks

Howard

the Corporation all its assets at a figure to net the stockholders a price above the market value.

I urge we insist Converse keep our negotiations tightly secret. If they leak out, the stock will bounce now and we will not be able to afford a price to satisfy the stockholders.

This plan necessitates that the stock edge downward with the existing continuous bad news, and then that we come along with a spectacular offer to pay the stockholders in liquidation a price substantially above the market. Any rise in the market before our offer will adversely affect the plan.

I think a ratio between market value and liquidation value under our offer should be on the order of 6 to 7.

In the ABC tender offer the ratio was 6 to 7.5 actually 5.85 to ~~7~~ 7.425, but ABC was not in real distress. Air West is. It should be obvious to Converse by now that he has got a tiger by the tail and now

Bob - Your suggestion is that we assist Air West, etc. the option that Converse and Henry will permit) toward the objective of determining acceptable the present financial statistics relative to the corporation.

My suggestion is that while this is in process I go ahead and make whatever deal can be made with O'Neil. If the Air West deal comes thru, I will have no difficulty in salvaging the one Denver to Las Vegas certificate which I would very deeply like to have (with or without Air-West) and selling the remainder to somebody else.

I urge we deal fast and attempt to inject no conditions relative Air West into the Frontier Deal. If we were to even hint at the possibility of the Air-West deal coming thru, people would sense a merger in 'the wind and the price would fly. I urge you not mention ~~of~~ Air-West at all.

Let's please just make the very best possible deal for Frontier with no mention of Air-

Bob -

Re one man control: It is absurd to presume that there would be any difference in the operation of Air West under 100% Hughes Tool Company ownership or under 51% or even 40% ownership of the outstanding stock by Hughes Tool Company.

In the lawsuits against the Hughes Tool Company brought by the banks and other lenders, the charge was repeatedly made that during the H.T.C.'s entire period of ownership of TWA, starting at 12% and working up to 77%, the H.T.C. at all times operated the company in the most overbearing & domineering way, as if it were a one-man business. This charge was made repeatedly and emphatically. Yet that was the period of TWA's maximum growth and prosperity.

Certainly nobody would deny that Juan Trippe made Pan American - lock, stock, and barrel, also C.R. Smith made American Airlines and Dickensbacher made Eastern, and Bob McNamee made Continental and Patterson made United, and Braniff made Braniff as long as he was alive.

Bit

8-21-68

I have you given any thought at all to a geographic division of our problem? It is my understanding that Converse and others of Bonanza origin have repeatedly moaned about their 'plight' to friends and why remain seems always to go. "Oh for the good old Bonanza days again! Why did I ever get talked into that miserable merger?"

Now if this is the way they feel, why don't we examine the situation and just see if we can put together a package in terms of part of the proceeds of the sale plus a substantial small airline which Mr. Converse and his associates (with his name on the door as chairman and president etc.) and, with his genius, could develop into another Bonanza which they would own lock stock and barrel with no partners in the form of stockholders, unless they choose to invite a few to join.

We don't need the entire Air West system. We are mainly concerned with the part that serves Las Vegas,

Bob

You yourself have said this is a most important moment, since it is, will you please do me one more important favor and refrain from reading between the lines and writing your own interpretation of my messages.

Please, I beg you take them for just what they say. Nothing more.

I am not hesitant about Air West because of you. I am hesitant because I think it has evolved into a lousy deal for me financially at this time.

I said in one of my earlier messages that if you could do something about the TWA judgement I would feel better, but, with that hanging over my head, I just can not go on spending money as if there were no tomorrow.

I don't hold you responsible for all of the expenditures and losses

Bob - Either you or Roy  
misunderstood, I'd intended  
no subversive deal with Joe's  
merely a purchase of his 81  
stock at some later date  
simply because I feel I  
owe it to him.

If you have any  
way of giving Roy the  
principle sufficient figures  
comprising the guts of the  
A. West balance sheet, I  
can study it & phone you  
in the A.M. before you  
go. I approve thoroughly  
of your trip to Wash.

Many thanks,

Howard

I will give you my  
final conclusions concerning  
our acquisition of A.W.  
in the A.M. I most  
likely I will recommend  
going ahead. I just  
don't like being forced to  
do so.

telling the airline, whether  
now or later, the ~~fact~~  
~~we have~~ smaller the sum  
we have advanced to the  
airline, to the better.

Also, from my  
experience in keeping a  
financially distressed TWA  
with its head above the  
water for many months,  
I know that the more  
money ~~an~~ <sup>an</sup> airline has, the  
more ~~it~~ it spends. Air  
West is abundantly ex-  
travagant and wasteful. You  
said so yourself when  
you first came into con-  
tact with it. So, I  
reason that it won't  
hurt a damn bit for  
these characters to cut  
a little fat off of their  
waistlines and to be in  
close proximity with the  
bottom of the money  
barrel for a while.  
Nothing encourages economy  
so much as not having  
anything to spend. I remem-  
ber in the TWA money  
crisis that many times  
the executives of TWA  
screamed bloody murder,  
and bankrupt seemed  
right around the corner,

OCT 3 - 1969

Bob -

I hope you are going to be available and able to pursue the tank situation starting this ~~afternoon~~ evening. I will give you a number in just a few hours.

Something else is urgent. I strongly want you to read all of the news releases on the legislative protests about the increase in fare for Air West.

I think we should handle this very skillfully so that the criticism does not rub off on us.

In other words, I feel we have a perfect excuse by saying we have no part in the present request for increased fares and that, if we are to expect early approval from the CAB to our acquisition of the airline, we must be over-emphatically careful not to violate the CAB rule against a prospective purchaser tampering with an airline before the acquisition is complete.

of the nation per-  
mits it.

Also, you might point out to them that the fare being higher than the Los Angeles to San Francisco fare ~~is~~ is not in truth surprising. The distance for the two trips is equal for all practical purposes, and the much, ~~more~~ much greater density of traffic on the L.A. - San Francisco flights permits more frequency of schedules and therefore more frequent use ~~of~~ of equipment, facilities, and personal.

I.E. One ticket seller can sell tickets for ten flights a day and he receives the same salary as a ~~booker~~ ticket seller at a ~~less~~ less crowded terminal who may sell tickets for only one flight.

However, I think you should tell our friends in

or in the past, and also I do not feel that we should argue their contention that the fare increase, under present circumstances, is unfair. I am sure we should simply say that we are not running the airline at this time, and, under CAB rules, we cannot interfere with it before approval.

Bob, I think this really needs the skillful touch of the master craftsman.

<sup>↳ toward</sup>  
~~I suppose you noticed that as I predicted the fine "jet craft"~~

To be retained permanently  
I stoles (I have decided  
this one once and for  
all. I want to acquire  
even more hotels and  
to build this operation  
to be the greatest thing  
in the U.S.)

Bob, this is a business  
that appeals to me, I  
want to go ahead and  
build the new bands  
and I want to start  
immediately on the  
most exciting race  
track ~~in~~ ever heard  
of. The Stardust  
track has folded, and  
I think I should  
announce this new  
project quickly before  
somebody else does.

Bob, I have only three  
really serious problems  
that might prevent  
an activation of the  
mining properties, the  
~~hotels~~ new hotels, the  
automobile (big car)  
race track, and even  
a few more Nevada  
projects. I have been  
hesitant about the  
future of southern Nevada  
because of two factors